



Maricopa County

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Maricopa County Board of Supervisors
301 W. Jefferson Street, 10th Floor
Phoenix, AZ 85003

Board of Supervisors:

At your request, the Maricopa County Internal Audit Department completed a high-level assessment of the Assessor's Office and its use of county resources.

Our work included conducting interviews and reviewing data and documentation to assess the operations and environment of the Assessor's Office. We also reviewed Assessor Paul Petersen's access to and use of county resources, which included a review of the following:

- Computer and office files
- Internet search history
- Emails
- Phone records
- Access to county financial resources
- County-related travel and reimbursements
- Access to alter parcel records within the Assessor's Office database

Our work was performed as a consulting engagement as defined by the International Standards for the Professional Practice of Internal Auditing, set forth by the Institute of Internal Auditors. Our review was limited and may not have detected all deficiencies, errors, and irregularities that might exist. The Assessor's Office is responsible for establishing and maintaining an effective system of internal controls and procedures to provide reasonable assurance that all relevant laws and policies are followed.

Attached are the issues identified and any related recommendations. This report is intended primarily for the County Board of Supervisors; however, this report is a public record and its distribution is not limited.

Please let me know if you have any questions.

Sincerely,

Michael McGee

Michael McGee
Maricopa County Auditor

USE OF COUNTY RESOURCES

Computer Files

Assessor Paul Petersen was originally hired as a county employee in January 2006 and became the Assessor in August 2013. We reviewed a copy of computer files from the hard drive of Mr. Petersen's county-provided desktop computer along with his user folder on the network, as of October 17, 2019. We also obtained a February 27, 2019, copy of his user folder on the network and reviewed documents deleted after that date.

Observations:

- Approximately 1,500 computer documents were dated from January 25, 2006 to October 1, 2019, of which 14 percent related to county business. The remainder related primarily to his law practice, mostly for adoption and bankruptcy activities.
- Approximately 550 computer documents were dated after Mr. Petersen became the Assessor on August 19, 2013, of which 5 percent related to county business. The remainder related primarily to his law practice, mostly for adoption activities.
- Mr. Petersen had no remote access privileges or cloud-based access to his work computer. Therefore, it appears he was working on these computer files at his county office.
- A county-owned laptop was issued to Mr. Petersen in November 2007, but it is not in the County's possession.

Recommendation: Confer with legal counsel about the nature and extent of Mr. Petersen's personal activities using county computer resources. Legal counsel should inquire as to whether the county laptop issued to him was seized by law enforcement and determine whether it contains additional information.

Office Files

We requested and obtained physical access to Mr. Petersen's county office to review his files for any indication of non-county business activities.

Observations: Early in our review, we discovered documents relating to adoption activities. We stopped our work and, based on the advice of legal counsel, coordinated with county management and Assessor Office management to secure the office.

Recommendation: Confer with legal counsel about the files secured in Mr. Petersen's county office.

Internet

We reviewed Mr. Petersen's internet history, created using the county network, for February 20, 2019, to date. Internet history prior to February 20, 2019, is not available. For purposes of our review, we considered multiple visits to the same website in one day as one unique daily visit.

Observations: Approximately 383 unique daily visits were made to websites. Of those websites, 17 related to adoptions, 80 related to banking and investments, 36 related to social media, and the remainder related to miscellaneous other websites. We could not determine how many were related to county business.

Emails

We obtained a copy of Mr. Petersen's work email from county resources. There were approximately 34,000 preserved emails, of which roughly 30,000 were dated after Mr. Petersen became the Assessor on August 19, 2013. A review of email dates indicated there were additional emails previously deleted that were unrecoverable due to the County's record retention policy. Due to the large volume of emails, we used key word searches to help identify any emails that might not be related to county business.

Observations:

- Our key word searches resulted in 181 emails that were not related to county business. Approximately 30 related to adoptions, 120 related to other legal services, and the remaining were personal.
- We did not find any emails that were sent to outside parties containing personally identifiable information or other sensitive information.

Phones

We reviewed phone records for Mr. Petersen's work desk phone for January 22, 2013, to date. We also reviewed phone records for his county-provided cell phone for September 2013 to January 2014, and for May 20, 2015, to October 27, 2015. No other cell phone records were available without a subpoena to the wireless carrier.

Observations:

- Approximately 1,000 calls were made from the desk phone and 69 were made from the cell phone. There were questionable international and out-of-state calls; however, we did not have the tools and resources to clearly determine the nature and purpose of the calls to assess if they related to county business. Examples include:
 - 5 calls to Jamaica
 - 7 calls to the Philippines
 - 5 calls to Arkansas
- The county incurred additional costs for long distance calls from the desk phone, but long distance calls for the cell phone were generally included in the plan.
- There were no voicemails.

Travel & Purchase Card

We reviewed Mr. Petersen's county-related travel and travel-related reimbursements and concluded that the travel was in line with his Assessor duties and supported by substantiating documentation. We also noted that he did not have a county purchase card.

ACCESS TO FINANCIAL AND PROPERTY ASSESSMENT DATA

We reviewed Mr. Petersen's access to county computer systems and applications. We concluded that he did not have access levels that would have allowed him to create, edit, or execute financial transactions or change any property valuations on his own. We also reviewed parcel records for Mr. Petersen and for what we believe to be his personal and business associates. We found no alterations indicating preferential treatment.

OPERATIONS AND ENVIRONMENT

We conducted a high-level assessment of the Assessor's Office, which included its operations and control environment. We interviewed employees and reviewed documentation to better understand the organization's overarching objectives, goals, and challenges. We also gained a better understanding of the organization's culture and control environment and assessed their impact on key operational areas.

Observations: The organization's structure, policies, and practices are well established which helps promote the integrity and continuity of operations. However, management reports that the past few weeks have been challenging for the employees of the Assessor's Office, and they are receiving criticism from customers in their daily interactions with the public.